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APPROVED:

By the General Shareholders Meeting of PJSC Uralkali (Minutes 61 dated 05.12.2019)

CHARTER
OF PUBLIC JOINT STOCK COMPANY
URALKALI
(new version)

Perm Region, Berezniki
2019

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The Charter of Public Joint Stock Company Uralkali (hereinafter the "Charter") is a founding document of Public Joint Stock Company Uralkali (hereinafter the "Company").

The requirements of the Charter of the Company are mandatory for all managerial, control and executive bodies of the Company as well as for the shareholders of the Company.

The first edition of the Charter was ratified by the Property Management Committee of Perm Region on 06.10.1992 and was registered by Berezniki City Administration of Perm Region on 14.10.1992.

The current edition of the Charter has been developed in compliance with the Civil Code of the Russian Federation (Part I) dated 30.11.1994 N 51-FZ, the Federal Law *On Joint Stock Companies* of 26.12.1995 N 208-FZ (hereinafter the Federal Law *On Joint Stock Companies*) and other regulations of the Russian Federation.

This Charter comes into effect for third parties at the moment of its registration in compliance with the procedure established under the legislation of the Russian Federation.

All amendments and addenda to this Charter can be made only if a relevant resolution(s) has been adopted by the general shareholders meeting of the Company or by the Board of Directors of the Company in compliance with the procedure specified under the Federal Law *On Joint Stock Companies* and in compliance with the procedures set forth hereunder. All amendments and addenda to this Charter come into effect for third parties upon state registration thereof.

The provisions of this Charter are applicable only if they are not in conflict with the current law. If, due to changes in the legislation, any articles of this Charter come into conflict with the provisions of the legislation, they become invalid until the moment that the necessary changes are made in the Charter; until that moment these contradicting provisions are not applicable.

Should the provisions of the Charter of the Company contradict the provisions of any internal documents of the Company, the provisions of the Charter of the Company shall prevail as far as third parties and the shareholders of the Company are concerned.

1. LEGAL STATUS OF THE COMPANY

General provisions

1.1. The Company was founded by the Property Management Committee of Perm Region as a result of the reorganization of the state enterprise Production Association Uralkali and is the legal successor of the latter.

The Company is the legal successor of Open Joint Stock Company Avtotransportnoye Enterprise, Open Join Stock Company Silvinit, Closed Joint Stock Company SP Kama, Closed Joint Stock Company Investment Company Silvinit-Resource and Open Join Stock Company Kama Mining Company reorganized in the form of merger of the indicated companies with the Company.

1.2. The Company is listed in the Unified State Register of Legal Entities under the main state registration number (MSRN) 1025901702188.

1.3. The Company is a legal entity and owns assets which are booked in the Company's independent balance sheet. The Company can acquire assets on its own behalf, exercise civil rights, bear civil obligations and be a plaintiff and a defendant in a court of law.

1.4. The Company is a corporate commercial organization. The Company has public status.

1.5. The Company was created for an unlimited period of time.

1.6. The Company has the right to open bank accounts in the Russian Federation and abroad in compliance with the applicable procedures.

1.7. The Company has round seals. The first seal of the Company bears its full trademark name and its trademark and contains information pertaining to its location.

The list of the round seals of the Company, their description and the procedure of their usage specified by an internal document of the Company approved by the General Director of the Company.

1.8. The Company has stamps and letterheads bearing the Company's name as well as its own

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trademark registered in compliance with the procedures set forth under the legislation. The Company has the right to have its own emblem and other means of visual identification.

1.9. The "golden share" rule allowing the Russian Federation, constituencies of the Russian Federation or municipalities of the Russian Federation to participate in the management of the Company does not apply.

Trademark name, location and address of the Company

1.10. Trademark name of the Company:

Full:

In Russian	Публичное акционерное общество "Уралкалий"
In English	Public Joint Stock Company Uralkali

Short:

In Russian	ПАО "Уралкалий"
In English	PJSC Uralkali

1.11. Location of the Company: Russian Federation, Berezniki, Perm Region

Address of the Company: Russian Federation, 618426, Perm Region, Berezniki, 63 Pyatiletki Street

Mission and objectives of the Company

1.12. The main objective of the Company is to make a profit.

1.13. The Company has the right to undertake all kinds of activities which are not explicitly prohibited by the law, including:

1) Production and sale of potash fertilizers and other chemical products;
2) mining of potash and magnesium salts, their treatment, processing and realization;
3) surveying, exploration and mining of diamonds, gold and platinum; mining of other mineral resources;
4) production utilizing surety materials and other production waste;
5) geological prospecting and exploration;
6) surveying;
7) topographic and geodesic activities;
8) disposal of production waste in underground mine workings;
9) transportation, including inter-city and international transportation;
10) loading/unloading works, transportation and logistics works and services;
11) shipping/freight forwarding operations utilizing river, sea, auto, air and other types of transport;
12) manufacturing of construction materials, constructions and products;
13) installation, construction and repair work;
14) engineering surveys;
15) planning and design work;
16) standardization, unification of measurements, certification of products and services;
17) production/generation of electrical and heat power;
18) provision of telecommunication services;
19) leasing of property;
20) foreign trade activities;
21) commercial intermediary/agency services;
22) investment activities;
23) organization of warehousing and storage;
24) procurement;
25) retail;
26) public catering;

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27) processing of agricultural products;
28) healthcare and wellness services;
29) housing and utility services;
30) education services;
31) organization of exhibitions, fairs, auctions and bidding procedures in the Russian Federation and abroad;
32) cultural and public awareness activities;
33) publishing, editorial and printing activities; publishing of newspapers and artwork, publishing of advertising and information materials and other printed products.

1.14. The Company possesses the relevant civil rights and obligations to transact all types of business activities which are not prohibited by federal laws.

1.15. The Company has the right to undertake the activities specified under the relevant federal laws only if the Company possesses the relevant permits (licenses).

1.16. The Company ensures that the information which constitutes state secret (classified information) is protected within the framework of the mission and obligations of the company and within the framework of its terms of reference. Protection of state secrets (classified information) is a core activity of the Company. The General Director of the Company is the person responsible for the organization of protection of information which constitutes state secret (classified information).

Structure of the Company

1.17. The organizational structure of the Company is determined under the Regulations on the Organizational Structure of the Company.

Branches and representative offices of the Company

1.18. The Company may establish branches and open representative offices in the territory of the Russian Federation in compliance with the requirements of the Law *On Joint Stock Companies* and other federal laws.

The Company can establish branches and open representative offices outside of the Russian Federation in compliance with the legislation of the relevant foreign state unless otherwise stipulated under the applicable international agreements of the Russian Federation.

1.19. The branches and representative offices of the Company are not independent legal entities, but act on the basis of the relevant regulations on the branch/representative office approved by the Board of Directors of the Company. The Company vests its branches and representative office with property which is booked both on the balance sheets of the branches/representative offices and the balance sheet of the Company.

Directors of branches and representative offices are appointed by the General Director of the Company and act on the basis of a power of attorney issued by the General Director of the Company.

1.20. The branches and representative offices of the Company act on behalf of the Company. All responsibility and liability for the actions of the branches and representative offices of the Company is borne by the Company.

1.21. The information about the Company's branches and representative offices is provided in the Unified State Register of Legal Entities.

Share register of the Company

1.22. The Company ensures proper keeping and maintenance of the share register of the Company in compliance with the regulations of the Russian Federation.

1.23. The share register is in the custody of the registrar.

Liability of the Company

1.24. The Company is liable for its obligations with all of its assets and property.

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1.25. The Company is not liable for the obligations of its shareholders.
1.26. The shareholders of the Company are not liable for the obligations of the Company and carry the risk of losses connected to the activities of the Company only within the value of the shares belonging to them.
1.27. The state and its bodies are not liable for the obligations of the Company; the Company is not liable for the obligations of the state or its bodies.

2. CHARTER CAPITAL OF THE COMPANY

Size of the charter capital of the Company. Outstanding and authorized shares of the Company. Types of shares offered by the Company

2.1. The charter capital of the Company amounts to 1,483,007,945.5 rubles.
2.2. The charter capital of the Company is comprised of 2 936 015 891 common shares of the Company with the face value of 0.5 rubles each purchased by shareholders and 30 000 000 preferred shares of the Company with the face value of 0.5 rubles each (hereinafter the issued shares).
2.3. All shares of the Company are registered and issued in non-documentary/uncertificated form.
2.4. The Company has the right to additionally place 1 729 752 095 common shares with the face value of 0.5 rubles each (hereinafter the authorized common shares). In addition to the outstanding shares of the Company, the Company has the right to offer 120 000 000 preferred shares with the face value of 0.5 rubles each (hereinafter the authorized preferred shares)
2.5. The authorized common shares of the Company vest the shareholders with the same rights as the outstanding shares under this Charter. The authorized preferred shares of the Company vest the shareholders with the same rights as the outstanding preferred shares under this Charter.
2.6. The procedure and the terms of the placement of common shares by the Company are determined under the relevant decision to issue common registered uncertificated shares of the Company approved by the Board of Directors of the Company. The procedure and the terms of the placement of authorized preferred shares are determined by the decision to issue preferred registered uncertificated shares of the Company approved by the Board of Directors of the Company.

Increase of the charter capital of the Company

2.7. The charter capital of the Company may be increased by increasing the face value of the shares by offering additional shares.
2.8. The decision to increase the charter capital of the Company by increasing the face value of the shares must be taken by the general shareholders meeting of the Company.
2.9. The decision to increase the charter capital of the Company by offering additional shares within the limits of the number of the authorized shares, must be taken by the Board of Directors of the Company (with the exception of cases when, under the Federal Law *On Joint Stock Companies* this decision is to be made only by the general shareholders meeting). A unanimous vote of all members of the Board of Directors is required for this decision; the votes of former (deceased) Board members are not counted.

Should the Board of Directors be unable to reach a unanimous decision on this issue, the issue may be submitted to the general shareholders meeting of the Company for consideration.

Reduction of the charter capital of the Company

2.10. The charter capital of the Company may be reduced by reducing the face value of the shares of the Company or by reducing the total number of shares, including by acquiring a portion of the shares by the Company in cases specified under the Federal Law *On Joint Stock Companies*.
2.11. The charter capital of the Company may be reduced by purchasing and cancelling a portion of the shares of the Company in compliance with the relevant decision of the general shareholders meeting of

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the Company.

2.12. The charter capital of the Company is reduced in compliance with the procedure set forth under the federal legislation of the Russian Federation.

2.13. The Company has no right to reduce its charter capital if, as a result of such reduction, the charter capital of the Company becomes less than the minimum size of charter capital required by the Federal Law *On Joint Stock Companies* as of the date of the application for registration of the relevant amendments to the Charter of the Company; in cases when in compliance with the Federal Law *On Joint Stock Companies* the Company must reduce its charter capital – as of the date of state registration of the Company.

2.14. The Company must reduce its charter capital in cases specified under the Federal Law *On Joint Stock Companies*.

3. RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS OF THE COMPANY. PROVISION OF INFORMATION TO THE SHAREHOLDERS BY THE COMPANY

3.1. In compliance with the Federal Law On Joint Stock Companies and this Charter, shareholders – owners of the common shares of the Company have the right:

3.1.1. to participate in the management of the Company, including:

- Participate in the general shareholders meeting of the Company with the right to vote on all issues pertaining to its terms of reference;
- Make proposals to supplement the agenda of the general shareholders meeting of the Company with certain items;
- Make proposals to nominate candidates for election/appointment to various bodies of the Company;

The requirements to the form and content of proposals for the agenda of the general shareholders meeting of the Company and the proposals to nominate candidates for election to the Board of Directors and the Revision Commission of the Company, the procedure of review of such proposals and passing of resolutions with regard to such proposals by the Board of Directors of the Company are determined by the Federal Law On Joint *Stock Companies* and **the Regulations on the General Shareholders Meeting of the Company**, ratified by the general shareholders meeting of the Company.

The shareholders (shareholder) who own a total of at least two percent (2%) of the voting shares of the Company have the right to propose that items be put on the agenda of the annual general shareholders meeting and to nominate candidates for election to the Board of Directors of the Company and the Revision Commission of the company if the number of the nominated candidates does not exceed the number of the members of the relevant body. The indicated proposals must be received by the Company not later than two (2) months from the end-date of the reporting year.

- Submit requests to convene an extraordinary general shareholders meeting of the Company;

The requirements to the content and the form of a request to convene an extraordinary general shareholders meeting of the Company and the procedure of its review by the Board of Directors of the Company are established under the Federal Law *On Joint Stock Companies* and the **Regulations on the General Shareholders Meeting** of the Company, ratified by the general shareholders meeting of the Company.

3.1.2. Receive information about the operations of the Company and peruse its accounting reports and other documentation in compliance with the Federal Law *On Joint Stock Companies* and this Charter;

3.1.3. Participate in the distribution of profits;

3.1.4. Receive dividends;

3.1.5. Receive part of the property (or its cash value) of the Company which remains after completion of the settlements of Company with its creditors in case of liquidation of the Company.

The shareholders of the Company have other rights specified under the Civil Code of the

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Russian Federation, the Federal Law *On Joint Stock Companies* and this Charter.

3.2. Each common share vests its owner with the same rights.

3.3. Shareholders-owners of preferred shares of the Company have the following rights in compliance with the Federal Law On Joint Stock Companies:

3.3.1. to receive a fixed annual dividend in the amount determined by the general shareholders meeting of the Company within the size of the dividend recommended by the Board of Directors of the Company, but, in any case, not less than 0.1 rubles per preferred share of the Company. In this case, if the size of the dividends paid by the Company on each common share in a specific year exceeds the amount payable as dividends on each preferred share, the amount of the dividend paid on the latter must be increased to match the size of the dividend paid on common shares. Dividends are paid to holders of preferred shares annually in compliance with the terms prescribed by p. 6.5 of the Charter and, additionally, on the date of the payment of dividends on common shares, in cases when in compliance with this clause the size of the dividend on preferred shares must be increased to match the dividend paid on common shares. The Company has no right to pay dividends on common shares prior to paying dividends on preferred shares.

3.3.2. Participate in the general shareholders meeting of the Company with the right to vote:

a) when deciding matters related to the reorganization or liquidation of the Company;

b) when deciding matters related to the making of amendments and addenda to the Charter of the Company which limit the rights of shareholders – owners of preferred shares and when deciding matters of making amendments to the Charter of the Company excluding the indication that the Company is a public company simultaneously with a decision to apply to the Bank of Russia with an application to release the Company from the obligation to disclose information as prescribed by the laws of the Russian Federation on securities and the decision to file and application to delist shares and equity securities which may be converted into shares;

c) when deciding the matter of applying to the Bank of Russia with an application to release the Company from the obligation to disclose information as prescribed by the laws of the Russian Federation on securities;

d) when deciding the matter of filing an application to list or delist preferred shares;

e) when deciding all matters within the terms of reference of the general shareholders meeting of the Company starting from the general meeting following the annual general shareholders meeting where, regardless of the reasons, no decision to pay dividends or a decision to pay partial dividends on preferred shares was made. The right of the shareholders – owners of preferred shares to participate in the general shareholders meeting ceases from the moment when the first payment of dividends on the indicated shares is made in full.

3.3.3. Exercise other rights granted under Russian laws.

3.4. The preferred shares of the Company of the same category (type) vest their owners with the same amount of rights.

3.5. Voting shares of the Company are fully paid-up common shares and preferred shares in cases indicated by the Federal Law On Joint Stock Companies, with the exception of the shares controlled by the Company.

3.6. Shareholders must:

- Comply with the requirements of this Charter and other internal documents of the Company indicated under this Charter;
- Pay for the shares upon their placement in compliance with the terms, forms and procedures established under the legislation, this Charter and the permission to place/issue shares;
- Not disclose confidential information about the Company.

The shareholders of the Company have other obligations specified under the Civil Code of the Russian Federation, the Federal Law On Joint Stock Companies and other regulations of the Russian Federation, the regulations and acts established by the federal executive authority for the securities market, under this Charter and the resolutions of the general shareholders meeting of the Company

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which pertain to its terms of reference.

3.7. The shareholders who have not paid in full for their shares upon placement of these shares are jointly and severally liable for the obligations of the Company within the unpaid portion of the shares belonging to them.

3.8. The Company shall archive and provide the shareholders with access to the documents indicated by the Federal Law On Joint Stock Companies, the Charter, internal documents of the Company, resolutions of the general shareholders meeting of the Company, resolutions of the Board of Directors and executive bodies of the Company, and the documents indicated by the regulations of the Russian Federation...

The Company shall provide shareholders with access to the documents indicated in art. 91 of the Federal Law On Joint Stock Companies upon the shareholders' request in compliance with the terms and procedure prescribed by the law.

The Company shall be entitled to invoice shareholders for advance payment for the provision of copies of documents and, if this is requested, to invoice shareholders for postal expenses related to mailing the required documents to the address indicated by the shareholder.

The fee charged by the Company for the production of the indicated copies of documents cannot exceed the cost of production of these copies. The cost of copy production shall be published on the website of the Company on the Internet.

The period of performance of the obligation to provide documents containing confidential information shall be measured from the moment when the Company and the shareholder requesting access to documents sign a non-disclosure agreement (confidentiality agreement). The terms of the non-disclosure agreement (confidentiality agreement) shall be published by the Company on its website on the Internet.

4. OFFERING OF SHARES, BONDS AND OTHER EQUITY SECURITIES BY THE COMPANY; ACQUSITION OF OUTSTANDING SHARES BY THE COMPANY

4.1. The Company has the right to offer additional shares, bonds and other equity securities by subscription or conversion. In cases when the charter capital of the Company is increased at the cost of the property of the Company, the Company must place additional shares by distributing them amongst its shareholders.

4.2. If the Company places shares and securities which may be converted into shares by subscription, the Company has the right to conduct private subscription/offering or public subscription/offering.

4.3. The Company has the right to acquire its outstanding shares in compliance with the relevant resolution of the general shareholders meeting to reduce the charter capital of the Company by purchasing outstanding shares of the Company in order to reduce their total number. If the Company needs to acquire its shares for other reasons, the Company has the right to acquire these shares based on a decision of the Board of Directors of the Company.

4.4. The Company may pay for the indicated shares in cash form; the indicated shares can also be paid for with other securities and property rights which have cash value and with other assets.

4.5. The Company has no right to pass a decision to acquire its outstanding shares in certain cases specified under the Federal Law *On Joint Stock Companies*.

5. RESERVE FUND OF THE COMPANY

5.1. The reserve fund of the Company is formed from the net profits of the Company.

5.2. The reserve fund of the Company is formed in the amount of fifteen (15) percent of its charter capital.

The reserve fund of the Company is formed by the Company making mandatory annual payments into the fund until the moment when it reaches the size indicated hereunder. The amount of the indicated annual payments may not be less than five (5) percent of the net profit of the Company until the moment when it reaches the size indicated hereunder.

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The reserve fund of the Company is intended for covering the losses of the Company, redemption of bonds and buyback of the shares of the Company in the event that other funds are unavailable.

The reserve fund may not be used for any other purpose.

5.3. The reserve fund of the Company is managed by the Board of Directors of the Company.

6. DIVIDENDS OF THE COMPANY

6.1. Dividends are part of the net profit of the Company distributed amongst the shareholders of the Company proportionately to the number, category and type of shares belonging to them.

6.2. The Company has the right to announce (declare) that dividends on the Company's outstanding shares will be paid based on the results of the first quarter, six months and nine months of the financial year and/or based on the results of the entire financial year.

The decision to pay (declare) dividends for the results of the first quarter, six months and nine months of the financial year, the amount and the procedure of payment may be adopted within a three-month period of the end of the relevant period. The decision to pay dividends based on the results of the financial year is passed upon approval of the Company's profit distribution for the financial year.

6.3. The decision to pay (declare) dividends belongs to the general shareholders meeting of the Company. The indicated decision must determine the amount of dividends on the shares of each category (type), the form of dividend payment, the procedure of dividend payment in non-cash forms and the date on which the persons entitled to dividends are determined.

The decision concerning the date of identification of persons entitled to dividends is adopted in compliance with the relevant proposal of the Board of Directors of the Company.

The size of the dividend may not exceed the amount recommended by the Board of Directors.

6.4. The Company cannot adopt the decision (declare) to pay dividends or to pay dividends in certain cases specified under the Federal Law On Joint Stock Companies.

6.5. The procedure of calculation and payment of dividends on the shares of the Company is specified under the Dividend Policy (Regulations on the Dividend Policy) of the Company approved by the Board of Directors.

7. STRUCTURE OF THE MANAGEMENT AND CONTROL BODIES OF THE COMPANY; RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD OF THE COMPANY; RESPONSIBILITY OF THE GENERAL DIRECTOR OF THE COMPANY

7.1. The Company is managed by the management bodies of the Company.

7.2. The Company has the following management bodies:

- The general shareholders meeting;
- The Board of Directors;
- The Management Board (collegial executive body);
- The General Director (sole executive body).

7.3. The Revision Commission of the Company is the body that oversees financial and economic activities of the Company. The Company may establish other bodies to control financial and economic activities in compliance with this Charter and other internal regulations of the Company.

7.4. Members of the Board of Directors of the Company, members of the Management Board of the Company, and the General Director of the Company must act in the best interest of the Company, exercise their rights and perform their obligations reasonably and in good faith.

7.5. Members of the Board of Directors of the Company, members of the Management Board of the Company, and the General Director of the Company are liable to the Company for any losses suffered by the Company due to their wrongful acts (non-action) in compliance with the applicable laws.

The members of the Board of Directors and the members of the Management Board of the Company who vote against the decisions that result in losses for the Company or do not participate in

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voting on such matters are not held liable.

7.6. The Company and the shareholders of the Company, who own at least one (1) percent of the common shares of the Company, have the right to file a lawsuit with a court of law against any member of the Board of Directors, member of the Management Board of the Company and/or the General Director of the Company for compensation of losses suffered by the Company in cases indicated under paragraph 2 Article 71 of the Federal Law On Joint Stock Companies.

8. GENERAL SHAREHOLDERS MEETING

General provisions

8.1. The general shareholders meeting of the Company is the supreme governance body of the Company.

General shareholders meetings may be held at the location of the Company or in the city of Moscow. The venue of the general shareholders meetings shall be determined by the Board of Directors when deciding on matters related to the holding of the general shareholders meeting.

8.2. The Company must hold the general shareholders meeting annually not earlier than two (2) months and not later than six (6) months after the end of the financial year.

8.3. The shareholders meetings which are held in addition to the annual general meeting are called "extraordinary".

8.4. Resolutions of the general shareholders meeting of the Company may be passed (forms of the general shareholders meetings of the Company):

- In presentia (joint presence of the shareholders in order to discuss the issues on the agenda and pass resolutions on the issues put to the vote);
- In absentia, by poll (without the joint presence of the shareholders).

Terms of reference of the general shareholders meeting

8.5. The following issues pertain to the terms of reference of the general shareholders meeting of the Company:

1) Approval of amendments and addenda to the Charter of the Company and ratification of new versions of the Charter with the exception of the cases specified under the Federal Law *On Joint Stock Companies*;

2) Reorganization of the Company;

3) Liquidation of the Company, appointment of the liquidation committee and approval of the intermediate and final liquidation balance sheets of the Company;

4) Determination of the size of the Board of Directors of the Company, election of its members and early termination of its appointment;

5) Determination of the number, face value, price, category (type) of the authorized shares and the rights represented by these shares;

6) Increasing the charter capital of the Company by increasing the face value of the shares or by placing additional shares in cases specified under the federal legislation and this Charter;

7) Reduction of the charter capital of the Company by reducing the face value of the shares of the Company or by acquiring/repurchasing outstanding shares by the Company in order to reduce their total number and by cancelling the acquired or repurchased shares by the Company;

8) Election of the Revision Commission of the Company and early termination of its appointment;

9) Appointment of the auditor (auditors) of the Company;

10) Distribution of profits including payment (declaration) of dividends, with the exception of the payment (declaration) of dividends based on the results of the first quarter, six months and nine months of the financial year, and the losses of the Company based on the results of the financial year;

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10.1) Payment (declaration) of dividends based on the results of the first quarter, six months and nine months of the financial year;

11) Approval of the procedure of the general shareholders meeting;

12) Share split and consolidation;

13) Decisions to permit the transactions or to subsequently approve the transactions specified in Article 83 of the Federal Law "On Joint Stock Companies;

14) Decisions to permit the transactions or to subsequently approve the transactions specified in Article 79 of the Federal Law *On Joint Stock Companies*;

15) Acquisition of the Company's outstanding shares by the Company in compliance with the Federal Law *On Joint Stock Companies*;

16) Decision to participate in financial and industrial groups and association and other associations of commercial organizations;

17) Approval of the following internal documents regulating the bodies of the Company: Regulations on the General Shareholders Meeting of the Company, Regulations on the Board of Directors of the Company, Regulations on the Management Board of the Company, Regulations on the Revision Commission of the Company, Regulations on Remuneration and Reimbursement of the Members of the Board of Directors of the Company; approval of amendments and addenda to the internal documents of the Company;

18) Decisions to apply for the delisting of the shares of the Company and (or) other issuable securities of the Company which may be converted into Company shares;

19) Resolution of other issues specified under the Federal Law *On Joint Stock Companies*.

8.6. The general shareholders meeting of the Company does not have the right to review and resolve any matters which do not pertain to its terms of reference in compliance with the Federal Law *On Joint Stock Companies*.

Adoption of resolutions by general shareholders meetings. Procedure of informing the shareholders of the Company of the resolutions of general shareholders meetings

8.7. Resolutions of the general shareholders meeting of the Company on issues put to the vote are passed by the majority vote of shareholders – owners of voting shares of the Company, unless otherwise indicated by the Federal Law On Joint Stock Companies or this Charter.

8.8. Resolutions on the issues indicated under paragraphs 1-3, 6, 11-16 and 18 of Clause 8.5 of this Charter are passed by the general shareholders meeting of the Company in compliance with the relevant proposal of the Board of Directors of the Company only.

8.9. Resolutions on the issues indicated under paragraphs 1-3, 5 and 14, 15, 18 of Clause 8.5 of this Charter are passed by the general shareholders meeting by a three-fourths majority vote of the shareholders – owners of the voting shares of the Company participating in the general shareholders meeting.

8.10. The general shareholders meeting of the Company does not have the right to pass resolutions on issues that are not on the agenda of the meeting or to change the agenda of the general shareholders meeting of the Company.

8.11. The resolutions adopted by the general shareholders meeting of the Company and the results of voting may be announced at the general shareholders meeting which voted for the indicated issues and must be made known to the persons listed on the list of persons entitled to participate in the general shareholders meeting in the form of a report on the results of voting in compliance with the procedure of notification of shareholders of the results of general shareholders meetings not later than four business days after the date of completion of the general shareholders meeting or the final date for the receipt of voting ballots in cases when general shareholders meetings are organized in absentia.

If on the date of identification of persons entitled to participate in the general shareholders meeting a nominal holder is registered in the shareholder register of the company, the information contained in the report on the results of voting must be provided to the nominal holder of shares in

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compliance with the requirements of the legislation of the Russian Federation on securities with respect to the provision of information and materials to persons exercising their rights to securities.

Information about the convocation of general shareholder meetings

8.12. Announcements of convocation of the general meetings of shareholders of the Company must be made not later than thirty (30) days prior to the date of the meeting unless a longer period is specified under the laws of the Russian Federation.

If the proposed agenda of the extraordinary general shareholders meeting of the Company contains the issue of election of the Board of Directors of the Company or reorganization of the Company in the form of merger, demerger or division, an announcement of convocation of the meeting must be made not later than fifty (50) days prior to the date of the meeting.

The information about the date of identification of persons entitled to participate in the general shareholders meeting is disclosed at least seven (7) days prior to the indicated date.

8.13. The Company notifies its shareholders of a general shareholders meeting by publishing a notice of general shareholders meeting on the Internet, on the website of the Company at www.uralkali.com.

If a nominal holder of shares is registered in the share register of the Company, notices of general shareholders meetings as well as the information (materials) which must be provided to the persons entitled to participate in the general meeting in preparation for the general meeting must be sent to nominal holders of shares in electronic form (as electronic documents).

8.14. The list of information (materials) which must be provided to the shareholders in preparation for the general shareholders meeting of the Company and the procedure according to which the shareholders can peruse this information, are determined by the Board of Directors of the Company in compliance with the Federal Law *On Joint Stock Companies*, other regulations of the Russian Federation and the Regulations on the General Shareholders Meeting of the Company.

8.15. The indicated information (materials) must be provided to the shareholders in preparation for the general shareholders meeting of the Company within twenty (20) days, and in cases when the issue of reorganization is put on the agenda – within thirty (30) days prior to the date of the general shareholders meeting of the Company – the information (materials) must be made available to the persons who are entitled to participate in the general shareholders meeting at the address of the executive body of the Company and other locations the addresses of which are included in the announcement of convocation of the general shareholders meeting of the Company. The indicated information (materials) may be fully or partially published on the website of the Company www.uralkali.com on the Internet, if this is prescribed by the decision of the Board of Directors in preparation for the general shareholders meeting.

The indicated information (materials) must be made available to persons participating in the general shareholders meeting during the meeting.

Upon the request of a person entitled to participate in the general shareholders meeting the Company shall provide him/her with copies of the indicated documents for a fee.

The fee charged by the Company for the production of the indicated copies may not exceed the cost of their production. The Company shall invoice the shareholder for the indicated expenses within 2 (two) business days from the date of receipt of the relevant request.

Preparation and organization of general shareholders meetings

8.16. While preparing for the general shareholders meeting of the Company the Board of Directors of the Company:

Determines:

- The form of the general shareholders meeting of the Company;
- The date, place and time of the general shareholders meeting of the Company, the time of the beginning of registration of the persons taking part in the general shareholders meeting of the

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Company (with the exception of cases when the general shareholders meeting is held in absentia);
- The period of delivery of voting ballots to shareholders;
- The postal address (postal addresses) to which completed ballots must be sent;
- The date (deadline) for the receipt of completed voting ballots;
- The date of identification of persons entitled to participate in the general shareholders meeting;
- The agenda of the general shareholders meeting of the Company;
- The list of information (materials) which must be provided to the shareholders in preparation for the general shareholders meeting of the Company and the procedure for its provision to the shareholders;
- The procedure of notification of the shareholders of the general meeting of the shareholders;
- The form and text of voting ballots (in cases of voting by ballot) and the wording of the resolutions of the general shareholders meeting which must be sent in electronic form (as electronic documents) to nominal holders of shares registered in the share register of the Company;
- Draft resolutions for voting at the general shareholders meeting (matching the wording of the resolutions of the general shareholders meeting which must be sent in electronic form to nominal holders of shares registered in the share register of the Company);
- Method and procedure of submission of shareholders' proposals to nominate candidates for election to the Board of Directors and the Revision Commission of the Company and the final date of receipt of the shareholders' proposals to nominate candidates for election to the Board of Directors and the Revisions Commission in cases when the agenda of the general shareholders meeting contains the relevant matters;
- Method and procedure of submission of proposals for the agenda of the general shareholders meeting and the final date of receipt of shareholder's proposals to add items to the agenda of the general meeting;
- Other information (data) at the discretion of the Board of Directors or information subject to determination in compliance with current laws and/or the Charter of the Company.

Approves and appoints:
- The personal composition of the organizational committee of the general shareholders meeting;
- The Chairperson of the organization committee of the general shareholders meeting and his/her deputy (deputies);
- The Presiding Chairperson (Chairperson) and Secretary of the general shareholders meeting;
- The speakers on issues put on the agenda;
- The wording of the announcement of the general shareholders meeting;
- Instructions for the procedure of voting at the general shareholders meeting;
- Information about the candidates nominated for election to the bodies of the Company and candidates for appointment as auditors of the Company presented to the general shareholders meeting of the Company;
- Other information (data) at the discretion of the Board of Directors.

Recommends for approval/ratification by the general shareholders meeting of the Company:
- The procedure of the general shareholders meeting of the Company for its subsequent approval by the general shareholders meeting;
- Amendments and addenda to the Charter of the Company, the versions of the Charter of the Company;
- Amendments and addenda to internal documents of the Company approved by the general shareholders meeting as well as the new versions of these internal documents of the Company;

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- Distribution of profits;
- Size and procedure of dividend payment;
- Auditor (auditors) of the Company;
- Other draft resolutions in compliance with the Federal Law *On Joint Stock Companies* and this Charter.

The agenda of the annual general shareholders meeting of the Company must include the issue of election of the Board of Directors of the Company, the Revision Commission of the Company, approval of the auditor of the Company and other issues indicated under paragraph 10, Clause 8.5 of this Charter.

8.17. The procedure of the general shareholders meeting of the Company is proposed by the Board of Directors of the Company and is approved by the general shareholders meeting of the Company at the beginning of each meeting in compliance with the procedure indicated under Clause 8.7 of this Charter.

8.18. Voting ballots are used to vote at general shareholders meetings. In compliance with the legislation of the Russian Federation on securities, the will of the persons entitled to participate in the general shareholders meeting but not registered in the share register of the company can be communicated to the registrar of the company by the persons keeping records of such shareholders' rights to shares, and such communications will be considered and counted in the same manner as if they were voting ballots.

Voting ballots are sent to shareholders by registered mail and/or by e-mail to the e-mail address of the person indicated in the share register of the Company (if the Board adopts such a decision in preparation for the general shareholders meeting) not later than 20 (twenty) days prior to the date of the general shareholders meeting.

Voting ballots must be sent by registered mail or hand-delivered to each person registered in the share register of the Company and entitled to participate in the general shareholders meeting. In cases of hand delivery, recipients must sign for the receipt of the voting ballot.

In cases of voting by persons entitled to participate in the general meeting but not registered in the share register of the Company, who communicate their will with respect to the matters put on the agenda of the general meeting to persons keeping records of such shareholders' rights to shares, the wording of the resolutions of the general shareholders meeting must be sent in electronic form (as electronic documents) to nominal holders of shares registered in the share register of the Company.

8.19. Only one voting option will be counted while counting the votes. Voting ballots which are filled out incorrectly with regard to this rule will be considered invalid and the votes contained in them will not be counted.

In cases when voting ballots contain several voting items, the fact that the above rule is not observed with regard to one or several voting items does not result in the invalidation of the entire voting ballot.

Persons that filled out voting ballots have the right to request that the tabulation commission (representative of the registrar performing the functions of the tabulation commission) certify their copy of the voting ballot. In this case, a copy shall be made at the expense of the requesting party. The payment for the production of the indicated copy shall be made in compliance with the provisions of p. 8.15 of this Charter.

8.20. Based on the results of voting, the tabulation commission prepares a poll deed on the results of voting which is signed by the members of the tabulation commission. The poll deed on the results of voting is prepared not later than three (3) business days after the closing of the general shareholders meeting or the deadline for the receipt of voting ballots in cases when the general shareholders meeting is held in absentia.

When the poll deed on the results of voting at the general shareholders meeting of the Company is prepared and signed, the voting ballots are placed under seal by the tabulation commission and are transferred to the archive of the Company for storage.

8.21. The poll deed on the results of voting must be attached to the minutes of the meeting of the

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general shareholders meeting of the Company.

8.22. Minutes of the general shareholders meeting must be prepared not later than three (3) business days after the closing of the general shareholders meeting in two copies. Both copies must be signed by the presiding chairperson and the secretary of the general shareholders meeting of the Company.

8.23. The tabulation commission verifies the authority of the persons participating in the general shareholders meeting and registers them; the tabulation commission determines whether the general shareholders meeting has quorum and answers the questions of the shareholders (their representatives) concerning their rights to vote on items put on the agenda; explains the procedure of voting on the matters put on the agenda; ensures that the established procedure of voting and the rights of the shareholders are observed and respected; counts the votes and prepares the results of voting; prepares a poll deed on the results of voting and transfers filled out voting ballots to the archive of the Company.

8.24. The functions of the tabulation commission of the Company are performed by the registrar of the Company.

The person/entity maintaining the share register of the Company and performing the functions of the tabulation commission shall verify the composition of the shareholders who were present when the resolution was passed and the fact that a resolution was passed by the general shareholders meeting.

8.25. Other issues concerning the procedure of preparation and organization of the general shareholders meeting of the Company are covered by the Federal Law On Joint Stock Companies and the Regulations on the General Shareholders Meeting of the Company.

9. BOARD OF DIRECTORS OF THE COMPANY

General provisions

9.1. The Board of Directors of the Company is responsible for the general oversight of the Company with the exception of issues which pertain to the terms of reference of the general shareholders meeting of the Company in compliance with the Federal Law On Joint Stock Companies.

9.2. The Board of Directors of the Company is elected by the general shareholders meeting of the Company.

The members of the Board of Directors of the Company receive remuneration for their service and are reimbursed for their expenses incurred in connection with their duties as members of the Board of Directors. The terms and conditions, the amount and the procedure of payment of such remuneration and reimbursement of expenses are specified under **the Regulations on Remuneration and Reimbursement of the Members of the Board of Directors of the Company** approved by the general shareholders meeting of the Company.

Terms of reference of the Board of Directors of the Company

9.3. The following issues pertain to the terms of reference of the Board of Directors of the Company:

1) Approval of the strategy and principles of development of the Company, approval of strategic plans of the Company, assessment of their effectiveness, review of reports pertaining to the indicated matters;

2) Determination of priority areas of business of the Company;

3) Approval/amendment of the annual consolidated budget of the Company and a report on budget performance;

4) Utilization of the reserve fund and other funds of the Company;

5) Convocation of annual and extraordinary meetings of the shareholders of the Company with the exception of the cases listed under paragraph 8 Article 55 of the Federal Law *On Joint Stock Companies*;

6) Setting the agendas of general shareholders meetings;

7) Establishment of record dates (dates of compilation of the lists of persons entitled to participate in the general meeting) for the general shareholders meeting and other issues concerning preparation for general shareholders meeting which pertain to the terms of reference of the Board of

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Directors of the Company in compliance with the provisions of Chapter VII of the Federal Law *On Joint Stock Companies* and this Charter;

8) Approval of the annual report of the Company, annual accounting (financial) statements of the Company, including the statements prepared in compliance with Russian Accounting Standards and the statements (information) prepared in compliance with International Financial Reporting Standards;

9) Recommendations for the general shareholders meeting of the Company regarding the amount of remuneration and reimbursement of the members of the Revision Commission of the Company;

10) Recommendations for general shareholders meeting of the Company regarding the procedure of profit and loss distribution based on the results of the financial year; recommendation for the general shareholders meeting of the Company regarding distribution of profits as dividends based on the results of the first quarter, six months and nine months of the financial year.

11) Recommendations for the general shareholders meeting of the Company regarding the size of dividends on the shares of the Company and the procedure of their payment;

12) Election of the Chairperson of the Board of Directors and his/her deputy (deputies);

13) Determination of the size and personal composition of the Management Board of the Company;

14) Appointment of the General Director of the Company and early termination of his/her appointment. Approval of the terms and conditions and amendments to the contract with the General Director of the Company, approval of the terms of termination of the contract with the General Director; designation of a person authorized to sign the contract and/or other documents pertaining to amendment or termination of the contract with the General Director on behalf of the Company;

15) Determination of the goals and priority areas of work for the General Director of the Company and oversight of the General Director's performance; exercising other powers of the employer in relations with the General Director of the Company. The rights and obligations of the employer in relation to the General Director of the Company are exercised by the Chairperson of the Board of Directors or by a person so authorized by the Board of Directors of the Company

16) Approval of appointments of heads of functional and production subdivisions - direct subordinates of the General Director;

17) Increasing the charter capital of the Company through increasing the face value of the shares or through placement of additional shares. The number of additional shares may not exceed the number of declared shares in compliance with the provisions of Clause 2.9 of this Charter;

18) Placement/offering of bonds and other equity securities by the Company except shares;

19) Decision to issue securities, approval of the securities prospectus, report on the results of the issuance of securities and approval of amendments and addenda thereto;

20) Acquisition of outstanding shares of the Company and other securities in cases specified under the Federal Law *On Joint Stock Companies*;

21) Approval of the report on the results of acquisition of the shares acquired in compliance with Clause 1, Article 72 of the Federal Law *On Joint Stock Companies*;

22) Decision to transfer outstanding shares of the Company owned by the Company;

23) Establishment and liquidation of branches; establishment and liquidation of representative offices of the Company; approval of regulations on branches and representative offices and amendments thereto;

24) Decisions to permit major transactions or to subsequently approve major transactions in cases specified under Chapter X of the Federal Law *On Joint Stock Companies*;

25) Decisions to permit interested-party transactions specified under Chapter XI of the Federal Law *On Joint Stock Companies*;

26) Permitting the General Director of the Company and members of the Management Board of the Company to serve on the management and control bodies of other organizations and to enter into

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other forms of gainful employment while working in the Company;

27) Establishment of Board Committees and organization of the work of Board Committees including:

a) Establishment and abolishment of Board Committees;

b) Approval of regulations on Board Committees, regulation of Board Committees;

c) Determination of the size and personal composition of Board Committees;

d) Election of Committee Chairpersons;

e) Premature termination of the appointments of Committee members;

f) Review of recommendations prepared by Board Committees;

g) Approval of the work plans of Board Committees as part of the general annual work plan of the Board of Directors;

h) Review of the reports of the Board Committees;

i) Assessment of the performance of Board Committees as part of the overall assessment of the performance of the Board of Directors;

28) Amendments to the Charter of the Company due the fact that the charter capital of the Company has been increased as a result of decisions to increase the charter capital of the Company by placing/offering additional shares; amendments and addenda due to liquidation of branches, opening and liquidation of representative offices of the Company;

29) Determination of the price (cash value) of property and services or the procedure of its determination and the price of offering and or redemption (buyback) of equity securities in cases specified by the Federal Law *On Joint Stock Companies*;

30) Determination of the amount of remuneration paid to the auditor (auditors);

31) Appointment of the registrar of the Company and approval of the terms of the contract with the registrar including amendments and addenda thereto and approval of the terms of termination of the contract with the registrar;

32) Approval of internal documents of the Company: Regulations on the Dividend Policy of the Company; Regulations on the Information Policy, Corporate Governance Code of the Company, Regulations on the Corporate Secretary of the Company, Regulations on Internal Audit and other internal documents which define the policy of the Company and its business activity and which must be approved by the Board of Directors in compliance with the current legislation and/or this Charter;

33) Approval of the general policy in the area of risk management and internal controls, identification of the key risks for the Company and establishment of a risk management system in the Company;

34) Approval of the general internal audit policy including the approval of the work plan of the relevant functional subdivision in charge of internal audit, establishment of the indicated subdivision within the annual consolidated budget of the Company and review of significant limitations of the authority of the indicated subdivision which may affect the process of internal audit in a negative manner. Appointment of the head of the functional subdivision that performs the internal audit function, termination of the appointment of the indicated officer;

35) Appointment of a corporate secretary, approval of the terms and conditions of the contract with the corporate secretary, including execution, amendment, modification or termination of such contract, as well as decisions to terminate the appointment of the corporate secretary; appointment of a secretary of the Board of Directors, approval of the terms and conditions of the contract with the secretary of the Board of Directors, including execution, amendment modification or termination of such contract (if applicable), as well as decisions to terminate the appointment of the secretary of the Board of Directors

36) Application for listing of the shares of the Company and (or) other equity securities which may be converted into shares

37) Approval of the organizational structure of the Company as regards establishment and abolishment of the production divisions of the Company – mines; Adoption of decisions regarding

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establishment and abolishment of functional divisions of the Company provided that the head of the relevant division is directly subordinate to the General Director of the Company;

38) Approval of the long-term investment model of the Company, review of the annual report concerning compliance with the approved model;

39) Approval of investment projects of the Company whereby the budget equals or exceed the ruble equivalent of 80 mln US dollars or where the annual budget exceeds the ruble equivalent of 16 mln US dollars;

40) Review of quarterly and annual reports of the General Directors of the Company concerning the performance of the Company;

41) Approval of the performance chart of the General Director of the Company;

42) Approval/ amendment of the long-term incentive program for the senior management of the Company;

43) Approval of the annual work plan of the Board of Directors and approval of the annual performance reports of the Board of Directors;

44) Decisions concerning the participation of the Company in commercial organizations provided that in the result of such decisions the participation share of the Company in the charter (authorized) capital of a commercial organization will be 20% (twenty percent) and more voting shares or stakes (contributions) in the charter (authorized) capital of the commercial organization;

45) Decisions to increase the Company's participation share in the charter (authorized) capital of commercial organization by acquiring voting shares and stakes (contributions) in the charter (authorized) capital of commercial organizations if in the result of such increase the participation share of the Company in the charter (authorized) capital of such organizations will be 20% (twenty percent) and more of the voting share or stakes (contributions) in the charter (authorized) capital;

46) Decisions to reduce the participation share of the Company in the charter (authorized) capital of commercial organizations provided that prior to the indicated decision the share of the Company in the charter (authorized) capital of the relevant commercial organization was 20% (twenty percent) and more of the voting shares or stakes (contributions) in the charter (authorized) capital of the relevant commercial organization;

47) Decisions to terminate the participation of the Company in the charter (authorized) capital of commercial organizations provided that prior to such decision the participation share of the Company in the charter (authorized) capital of the relevant commercial organization was 20% (twenty percent) and more of the voting shares or stakes (contributions) in the charter (authorized) capital of the commercial organization;

48) Review of programs to acquire common shares and global depositary receipts representing shares of the Company;

49) Other matters specified under the Federal Law *On Joint Stock Companies* and this Charter.

9.4. The Board of Directors will be entitled to review any matter that does not pertain exclusively to the terms of reference of the General Shareholders Meeting as well as any issue that pertains to the competence of the executive bodies of the Company (including, inter alia, per the request of the General Director or the Management Board of the Company) and to adopt decisions which may reflect the position of the Board of Directors on this matter. Any such opinion of the Board of Directors is advisory rather than mandatory. The issues that pertain to the terms of reference of the Board of Directors of the Company cannot be handed over to the executive bodies of the Company.

Election of the Board of Directors of the Company

9.5. Members of the Board of Directors are elected by the general shareholders meeting of the Company for a period until the next annual general shareholders meeting of the Company.

9.6. The Board of Directors of the Company is comprised of nine (9) members.

9.7. The number of members of the Management Board of the Company serving on the Board of Directors of the Company may not exceed one quarter of the total number of the members of the Board

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of Directors of the Company.

Individuals elected to the Board of Directors of the Company may be re-elected to the Board an unlimited number of times.

9.8. Members of the Board of Directors are elected by cumulative voting. The number of votes belonging to each shareholder is multiplied by the number of individuals to be elected to the Board of Directors of the Company; the shareholders have the right to give all their votes in support of one candidate or distribute their votes among several candidates.

Those candidates who receive the most votes are considered as elected to the Board of Directors of the Company.

9.9. The general shareholders meeting may not dismiss one or several members of the Board but terminate/disband the entire Board of Directors of the Company.

Requirements to members of the Board of Directors of the Company

9.10. Members of the Board of Directors may or may not be shareholders of the Company. Only individuals (not entities) can be members of the Board of Directors of the Company.

9.11. No person disqualified under the current legislation may be elected to the Board of Director of the Company.

Chairperson of the Board of Directors of the Company

9.12. The Chairperson of the Board of Directors of the Company and his/her deputies are elected from among the members of the Board of Directors of the Company by the majority vote of the members of the Board of Directors of the Company. The votes of the deceased members of the Board of Directors of the Company are not counted. The Chairperson of the Board of Directors of the Company can have two deputies.

The General Director of the Company cannot serve as the Chairperson of the Board of Directors of the Company.

9.13. The Board of Directors of the Company has the right to re-elect its Chairperson and his/her deputies at any time by the majority of the total number of the members of the Board of Directors of the Company; the votes of the deceased members of the Board of Directors of the Company are not counted.

9.14. The Chairperson of the Board of Directors of the Company organizes the work of the Board of Directors, summons the meetings of the Board of Directors, chairs the meetings of the Board of Directors, organizes the keeping of minutes of Board meetings and exercises other authority in compliance with the Regulations on the Board of Directors of the Company.

9.15. In the absence of the Chairperson of the Board of Directors be absent, his/her functions are performed by one of his/her deputies in compliance with the decision of the Board of Directors of the Company adopted by the majority of the members of the Board of Directors present at the meeting; In the absence of both the Chairperson and his/her deputies the functions of the Chairperson are performed by one of the members of the Board of Directors of the Company elected by the majority of the members of the Board of Directors present at the meeting of the Board of Directors of the Company.

The procedure of election of a chairperson to preside over a meeting of the Board of Directors in the absence of the Chairperson of the Board of Directors is specified in **the Regulations on the Board of Directors of the Company.**

Meeting of the Board of Directors

9.16. Board meetings are called by the Chairperson of the Board of Directors or by any of his/her deputies (in the absence of the Chairperson of the Board of Directors for a valid reason) at his/her discretion or upon request of another Board member, the Revision Commission of the Company, the auditor of the Company, the Management Board of the Company or the General Director of the Company. After the Board of Directors of the Company has been elected by an annual or extraordinary

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general shareholders meeting, the first meeting of the newly elected Board of Directors is called by the General Director of the Company not later than five (5) business days of the date of compilation of the results of voting and execution of the minutes of the general shareholders meeting or (in cases when the passed resolutions and results of voting were announced at the general shareholders meeting) of the date of the announcement of the indicated resolutions and voting results. If the General Director does not call the first meeting of the Board of Directors within the indicated time periods, the meeting may be called by any member of the Board of Directors. The first meeting of the Board of Directors is convened, among other things, in order to elect a Chairperson of the Board of Directors and to resolve any other issues pertaining to the terms of reference of the Board of Directors.

9.17. A notice of meeting of the Board of Directors is sent to all members of the Board of Directors not later than three (3) business days before the date of the meeting of the Board of Directors unless earlier notification is required by the legislation of the Russian Federation.

9.18. Five (5) members of the Board of Directors constitute a quorum for the meeting of the Board of Directors of the Company.

Written opinions of the members of the Board of Directors who are absent at the meeting are considered while determining the presence of a quorum and the results of voting on the issues put to the vote.

9.19. All decisions of the Board of Directors of the Company are passed by the majority vote of the members of the Board of Directors of the Company who are taking part in the meeting and/or have supplied the Board of Directors with their written opinions, unless otherwise provided by the Federal Law On Joint Stock Companies and this Charter.

9.20. Decisions of the Board of Directors of the Company may be passed "in absentia" (by poll).

Voting ballots are used for absentee voting.

The meetings held by absentee voting are considered legally qualified (have quorum), if at voting deadline five (5) or more members of the Board of Directors have supplied the Secretary of the Board of Directors with their completed and signed voting ballots before the start of the meeting of the Board of Directors of the Company.

The decisions of the meetings of the Board of Directors in absentia are considered adopted if the majority of the members of the Board of Directors who have sent their ballots to the Board of Directors of the Company voted in favor of this decision, unless otherwise provided by the Federal Law On Joint Stock Companies and this Charter.

9.21. For the purpose of voting at the meetings of the Board of Directors of the Company, each member of the Board of Directors of the Company has one vote.

The right to vote may not be transferred to any other party (including to another member of the Board of Directors) by any member of the Board of Directors of the Company.

Should there be a tie in votes, the casting vote belongs to the Chairperson of the Board of Directors of the Company.

9.22. The procedure of convocation and organization of the meetings of the Board of Directors of the Company and the procedure of passing resolutions by absentee voting is specified under **the Regulations on the Board of Directors of the Company** approved by the general shareholders meeting of the Company.

10. EXECUTIVE BODIES OF THE COMPANY

General provisions

10.1. The Management Board of the Company and the General Director of the Company oversee the Company's day-to-day operations.

Executive bodies of the Company are subordinate to and report to the Board of Directors of the Company and the general shareholders meeting of the Company.

10.2. The General Director of the Company is also the Chairperson of the Management Board of the Company.

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10.3. The rights and obligations of the members of the Management Board and of the General Director with regard to the oversight of day-to-day operations of the Company are specified under the Federal Law On Joint Stock Companies, other regulations of the Russian Federation and the relevant contracts between the indicated individuals and the Company. These contracts are signed by the Chairperson of the Board of the Company on behalf of the Company or by another person so authorized by the Board of Directors of the Company.
10.4. The General Director of the Company and the members of the Management Board of the Company can hold posts in other organizations during the term of their appointment in the Company with permission of the Board of Directors of the Company.
10.5. At any time, the Board of Directors of the Company may terminate the appointment of the General Director and members of the Management Board of the Company pre term.
10.6. The Management Board of the Company and the General Director of the Company have no right to pass decisions on any issues which pertain to the terms of reference of the Board of Directors of the Company.

The Management Board of the Company and the General Director of the Company ensure that the resolutions of the general shareholders meeting of the Company and the Board of Directors of the Company are duly implemented.

Management Board of the Company

10.7. The Management Board of the Company is formed by the Board of Directors of the Company, which determines the size and the personal composition of the Management Board of the Company.

Members of the Management Board are appointed for the same period as the Board of Directors that has appointed them. The Board of Directors must receive a written consent to be appointed to the Management Board from each of the members of the Management Board.

The Board of Directors of the Company is entitled to change the size and the personal composition of the Management Board of the Company at any time.

10.8. Members of the Management Board of the Company may or may not be shareholders of the Company. Only individuals (not entities) may be members of the Management Board of the Company.

No person disqualified under the current legislation may be a member of the Management Board of the Company.

10.9. The following matters pertain to the terms of reference of the Management Board of the Company:

1) Determination of short-term objectives of the Company;
2) Preliminary approval of the budget of the Company and its submission to the Board of Directors of the Company for review;
3) Decisions to order the making of Company seals and stamps;
4) Approval of the terms and conditions of the collective agreement on behalf of the Company;
5) Oversight of the budget performance in the Company;
6) Appointment of the Secretary of the Management Board; determination of the amount and procedure of his/her remuneration;
7) Decisions to participate/increase the participation share of the Company in commercial organizations if as a result of such decision the participation share of the Company in the charter (authorized) capital of the relevant commercial organization is less than 20% (twenty percent) of the voting shares or stakes (contributions) in the charter (authorized) capital of such commercial organization;
8) Decisions to reduce the share of the Company in the charter (authorized) capital of commercial organizations and to terminate the participation of the Company in the charter (authorized) capital of commercial organizations if prior to such decision to participation share of the Company in the charter (authorized) capital of the relevant commercial organization was less than 20% (twenty percent) of the voting shares or stakes (contributions) in the charter (authorized) capital of the relevant

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commercial organization;

9) Nomination of Company representatives as candidates for election/appointment to the management and control bodies of organizations in which the Company is a shareholder (participant);

10) Nomination of Company representatives as candidates for election/appointment to the management and control bodies of non-commercial organizations in which the Company is a participant;

11) Resolution of other issues put to the Management Board by the General Director of the Company;

10.10. The Management Board passes resolutions at its meetings.

Minutes of the meeting are kept at the meetings of the Management Board.

Meetings of the Management Board of the Company are called by the Chairperson of the Management Board of the Company at his/her own discretion or at the request of any member of the Board of Directors of the Company and/or any member of the Management Board of the Company.

10.11. Meetings of the Management Board are legally qualified (have quorum) if a half (or more) of the members of the Management Board are present at the meeting.

10.12. Decisions are passed by the majority vote of the members of the Management Board participating in the meeting.

10.13. The Chairman of the Management Board may decide to hold a meeting in the form of joint presence of the Management Board (in presentia) or in the form of absentee voting (by ballot).

10.14. For the purpose of voting at the meetings of the Management Board, each member of the Board has one vote.

The right to vote may not be transferred to any other party (including to another member of the Management Board) by any member of the Management Board.

Should there be a tie in votes, the Chairperson of the Management Board has a casting vote.

10.15. The procedure of convocation of the meetings of the Management Board of the Company and the procedure of adoption of decisions by the Management Board of the Company are specified under this Charter and the Regulations on the Management Board of the Company approved by the general shareholders meeting of the Company.

General Director

10.16. The General Director of the Company is appointed by the Board of Directors of the Company for a period of time specified in his/her employment contract, but not exceeding five (5) years.

10.17. The General Director of the Company must have a university degree.

No person disqualified under the current legislation may be appointed as General Director of the Company.

10.18. The General Director of the Company acts on behalf of the Company without a power of attorney and represents the interests of the Company in all organizations and in all relationships with individuals in the Russian Federation and abroad.

10.19. The General Director:

1) Enters into transactions on behalf of the Company. The transactions which are subject to approval by the general shareholders meeting of the Company or by the Board of Directors of the Company in compliance with the Federal Law *On Joint Stock Companies* are concluded by the General Director upon receipt of such approval;

2) Oversees the day-to-day management of the Company with the exception of the matters pertaining to the terms of reference of the General shareholders meeting, the Board of Directors or the Management Board of the Company;

3) Opens bank account in credit institutions in Russian rubles and foreign currency; opens bank accounts and other accounts of the Company in compliance with the restrictions imposed by the laws of the Russian Federation;

4) Approves the organizational structure of the Company where it concerns establishment and

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abolishment of the divisions not indicated in p.37 Clause 9.3 of this Charter;

5) Approves the staffing chart and the head count;

6) Issues orders and gives instructions which are mandatory for all employees of the Company;

7) Executes the collective agreement with the employees of the Company on behalf of the Company in compliance with the terms and conditions approved by the Management Board of the Company;

8) Executes employment agreements/contracts with the employees of the Company, uses incentives in the relationships with employees and takes disciplinary action against them;

9) Appoints branch managers and heads of representative offices;

10) Issues powers of attorney;

11) Approves internal documents of the Company with the exception of the documents which pertain to the terms of reference of the general meeting of the shareholders, the Board of Directors or the Management Board of the Company in compliance with this Charter and the Federal Law *On Joint Stock Companies*;

12) Resolves other issues which do not pertain exclusively to the terms of reference of the general shareholders meeting, the Board of Directors or of the Management Board in compliance with this Charter;

13) Is responsible for and must organize appropriate activities and create such conditions in the Company that would enable the Company to protect the information which constitutes state secret.

10.20. The General Director adopts decisions on matters which fall within his/her terms of reference at his/her sole discretion.

The resolutions/decision of the general shareholders meeting of the Company, the Board of Directors of the Company and the Management Board of the Company within their terms of reference are mandatory for the General Director of the Company.

11. CONTROL OVER FINANCIAL AND ECONOMIC ACTIVITY

REVISION COMMISSION OF THE COMPANY

General provisions

11.1. The Revision Commission of the Company oversees the financial and economic activity of the Company.

11.2. The Revision Commission is comprised of five (5) members and is elected by the general shareholders meeting of the Company for a period until the next annual general shareholders meeting of the Company.

In cases when the number of members of the Revision Commission of the Company is less than three people, the Board of Directors of the Company is obliged to call for an extraordinary general shareholders meeting of the Company in order to elect the Revision Commission. The remaining members of the Revision Commission continue their service until the new Revision Commission has been elected.

11.3. The shares belonging to the members of the Board of Directors, the General Director and the members of the Management Board of the Company may not participate in the election of the Revision Commission of the Company.

11.4. The appointment of individual members of the Revision Commission or of the entire Revision Commission of the Company may be terminated in compliance with the procedure and due to reasons specified under **the Regulations on the Revision Commission of the Company.**

Terms of reference of the Revision Commission of the Company

11.5. The following maters pertain to the terms of reference of the Revision Commission of the Company:

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1) Verification of information contained in the annual reports of the Company, annual and periodic accounting statements, reports for state authorities responsible for statistics and other state authorities;
2) Audit of the use of profits of the Company in compliance with the resolutions of the general shareholders meeting of the Company on profit distribution;
3) Audit of calculations and verification of the timely payment of dividends on the shares of the Company as well as of the calculation and payment of interest on bonds;
4) Audit of timeliness and accuracy of settlements under agreements and obligations of the Company;
5) Analysis of the causes and consequences of budget deviations in the Company.

11.6. The Revision Commission analyzes (revises) the financial and economic activity of the Company based on the results of the year and based on the decision of the Revision Commission of the Company at any time, or based on the decision of the general shareholders meeting of the Company, the Board of Directors of the Company and/or at the request/demand of shareholders of the Company who own more than ten (10) percent of the voting shares of the Company.

11.7. Upon request of the Revision Commission of the Company, individuals holding posts in the management bodies of the Company as well as other officers and employees of the Company must provide the Revision Commission with documents concerning the financial and economic activities of the Company.

The indicated documents must be provided to the Revision Commission within five (5) business days from the date of receipt of the indicated written request.

11.8. The Revision Commission of the Company has the right to call an extraordinary general shareholders meeting of the Company in compliance with the provisions of Article 55 of the Federal Law *On Joint Stock Companies*.

The Revision Commission of the Company has the right to call a meeting of the Board of Directors of the Company.

11.9. During the period of their service, members of the Revision Commission of the Company are paid remuneration and are reimbursed for their expenses incurred in connection with their service on the Revision Commission. The amount and the procedure of payment of the indicated remuneration is specified under **the Regulations on the Revision Commission of the Company** approved by the general shareholders meeting of the Company.

11.10. The activities of the Revision Commission of the Company are regulated by **the Regulations on the Revision Commission of the Company** approved by the general shareholders meeting of the Company.

Requirements to members of the Revision Commission of the Company

11.11. Members of the Revision Committee may or may not be shareholders of the Company. Members of the Revision Commission may not serve on the Board of Directors of the Company, the Management Board of the Company or as the General Director of the Company. Only individuals (not entities) can be members of the Revision Commission of the Company.

11.12. As a rule, members of the Revision Commission must have a degree in economics or law and/or at least two years of experience in control and revision (audit) bodies.

Procedure of adoption of decisions by the Revision Commission of the Company

11.13. The Revision Commission adopts decisions at its meetings.

Minutes of meetings of the Revision Commission must be kept.

Meetings of the Revision Commission are called by its Chairperson.

Any member of the Revision Commission has the right to call a meeting of the Revision Commission in case he/she discovers irregularities which require immediate action by the Revision Commission.

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11.14. Meetings of the Revision Commission must be held at least once every three months.
11.15. Meetings of the Revision Commission are legally qualified (have quorum) if at least three (3) members of the Revision Commission are present at the meeting.

In cases when the number of the members of the Revision Commission is less than three (3) people, and until the date of election of a new Revision Commission by the general shareholders meeting of the Company, the meetings of the Revision Commission have quorum and are legally qualified if all remaining members of the Revision Commission are present at the meeting.
11.16. Meetings of the Revision Commission may be held in presentia or in the form of absentee voting. Voting ballots are used for absentee voting.
11.17. Members of the Revision Commission elect a Chairperson of the Revision Commission from amongst themselves. The Chairperson of the Revision Commission is elected by the majority vote of the members of the Revision Commission present at the meeting.

The Revision Commission may re-elect its Chairperson at any time by the majority vote of the members of the Revision Commission present at the meeting.
11.18. The Chairperson of the Revision Commission calls and holds the meetings of the Commission, organizes the current work of the Revision Commission, represents the Revision Commission at the general shareholders meeting of the Company and the meetings of the Board of Directors of the Company, signs documents on behalf of the Revision Commission, including its reports and conclusions, organizes the keeping of the minutes of meetings of the Revision Commission, ensures that the reports and conclusions of the Revision Commission reach its intended recipients.
11.19. Each member of the Revision Commission has one vote. The decisions/resolutions of the Revision Commission are adopted by a simple majority vote of the members of the Committee present at the meeting.

If there is a tie in votes, the Chairperson of the Revision Commission has the casting vote.

If any member of the Revision Commission does not agree with the decision of the Commission, they have the right to have their opinion put on record in the minutes of the meeting of the Revision Commission and inform the general shareholders meeting of the Company and/or the Board of Directors of the Company of their disagreement.

AUDITOR OF THE COMPANY

11.20. The auditor of the Company audits the financial and economic activities of the Company in compliance with the regulations of the Russian Federation and in accordance with the terms and conditions specified under the relevant agreement between the Company and its auditor.
11.21. The auditor of the Company is approved by the general shareholders meeting of the Company. The amount of the auditor's remuneration is determined by the Board of Directors of the Company. The Company is entitled to engage one or two auditors to conduct separate audits of the accounting and financial statements.
11.22. Based on the results of the audit of the financial and economic activities of the Company in the relevant reporting period, the auditor of the Company prepares a conclusion (audit report) which is to be presented to the annual general shareholders meeting of the Company during the process of approval of the annual report of the Company for the relevant reporting period.

INTERNAL AUDIT DIRECTORATE

11.23. In order to assess the reliability and effectiveness of risk management and intern control in the Company a functional subdivision was created to perform the internal audit function – the Internal Audit Directorate.
11.24. The Board of Directors of the Company approves the internal documents of the Company regulating the policy of the Company on organization and performance of internal audit. The officer in charge of organization and performance of internal audit – Director for Internal Audit – is appointed to his/her post and is dismissed from his/her post by the Board of Directors of the Company.

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12. ACCOUNTING AND REPORTING OF THE COMPANY

12.1. The financial year in the Company starts on 01 January and ends on 31 December of the calendar year.

12.2. The Company must maintain records and submit accounting (financial) statements in compliance with the requirements of the Federal Law *On Joint Stock Companies*, the Federal Law "On Accounting Records" the Federal Law "On Consolidated Financial Statements" and other regulations of the Russia Federation.

12.3. In compliance with the Federal Law *On Joint Stock Companies*, this Charter and other regulations of the Russian Federation, the General Director of the Company is responsible for organization, status and reliability of the accounting (financial) records and statements of the Company to the relevant authorities, and timely provision of information about the Company to its shareholders, creditors and the mass media.

12.4. Reliability and accuracy of information contained in the annual report of the Company and the annual accounting (financial) statements of the company must be verified by the Revision Commission of the Company and an independent auditor of the Company who does not have any material interest in the Company and does not share any material interests with the shareholders of the Company.

Such verification must be prepared in the form of a conclusion/opinion, which must be presented to the annual general shareholders meeting of the Company.

The Company publishes the documents indicated in this clause after their accuracy and reliability has been confirmed by the auditor of the Company.

13. REORGANIZATION AND LIQUIDATION OF THE COMPANY

13.1. The Company may be reorganized in cases and in compliance with the form and procedure specified the Civil Code of the Russian Federation, the Federal Law *On Joint Stock Companies* and other federal laws.

13.2. The Company is considered reorganized, except in cases of merger, from the moment of state registration of the newly created legal entities.

If the Company is reorganized in the form of merger with other companies, the Company is considered reorganized from the moment when a record of termination of all activities of the transferring companies is made in the unified state register of legal entities.

13.3. The Company may be liquidated:

- voluntarily, in compliance with the Civil Code of the Russian Federation, the Federal Law *On Joint Stock Companies* and the requirements of this Charter;
- in compliance with a court ruling in cases specified under the Civil Code of the Russian Federation.

The liquidation of the Company leads to termination of the Company without the transfer of its rights and obligations to any third parties – legal successors.

13.4. The liquidation of the Company is considered complete and the Company is considered to have been liquidated when the relevant record is made in the unified state register of legal entities by the responsible state authority.

13.5. In cases when the functions or the form of ownership of the Company is changed, or the Company is liquidated (dissolved), or the Company ceases to work with classified information (state secret), the Company must implement appropriate measures to ensure that the indicated information and the carriers of such information are protected.